

DRAFT MINUTES

LAFCO REGULAR MEETING

Wednesday, February 11, 2004, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Charles Smith called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:03 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Randal J. Bressette led the pledge of allegiance in memory of John Gelff, council member from the City of San Juan Capistrano.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Randal J. Bressette**
- **Commissioner Bill Campbell**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner James Silva**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Executive Officer Dana M. Smith
- Assistant Executive Officer Bob Aldrich
- Policy Analyst Kim Koeppen
- Policy Analyst Carolyn Thomas
- Communications Analyst Danielle Ball
- Administrative Assistant Daphne Charles

4. APPROVAL OF MINUTES

a.) January 14, 2004 – Regular Commission Meeting

MOTION: Approve minutes from January 14, 2004 without revision (Bill Campbell)
SECOND: Arlene Schafer
FOR: Bill Campbell, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Charley Wilson
AGAINST: None
ABSTAIN: Randal Bressette
MOTION PASSED

5. PUBLIC COMMENT

Chair Smith requested public comments on any non-agenda item.

Kendall Neisess, a resident from the City of Fullerton, presented before the Commission to express his opposition to the Commission's decision to approve the MCAS El Toro Annexation to the City of Irvine.

Commissioner Bouer entered the Commission meeting during Mr. Neisess's comments.

Chair Smith requested additional public comments on any non-agenda item. Receiving no response, he closed the public comment agenda item without any additional statements from the public.

6. CONSENT CALENDAR

- a.) Consultant Services for Fiscal Modeling & Training Program
- b.) Adoption of 2004 LAFCO Work Plan
- c.) Matiasovich Annexation to the Orange County Sanitation District (DA 03-16)
- d.) Completion of Audit for Fiscal Year 2002-2003

Commissioner Herzog pulled consent calendar item 6d.

Commissioner Bressette pulled consent calendar item 6b and moved the balance of the consent calendar.

MOTION: Approve consent calendar items 6a and 6c (Randal Bressette)
SECOND: Bill Campbell
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Charley Wilson

AGAINST: None
ABSTAIN: None
MOTION PASSED

- 6b. Commissioner Bressette** asked for clarification on the spreadsheet demonstrating employee work allocation.

Executive Officer Smith stated that she had utilized Excel to create a visual for the Commission to better understand staff's workload, and she directed the Commission to study the pie chart included in the staff report. She clarified that, while the Commission's chosen approach to the Municipal Service Review (MSR) Program wasn't mandated by the state, service reviews and sphere of influence reviews are mandated by the state and the MSR Program was therefore categorized as a mandatory project. She added that the MSR Program was designed for maximum cost efficiency by engaging the cities and special districts to participate and share the workload in exchange for the valuable findings at the end of the studies.

Chair Smith asked what role LAFCO staff would play in the SCORE process for the future development of Rancho Mission Viejo.

Executive Officer Smith responded that she had been significantly involved in the SCORE process over the past year and a half and helped examine governance options for the future development of Rancho Mission Viejo. She cautioned that the development could potentially become a large unincorporated island and a fiscal drain on the County infrastructure if the governance issues are not appropriately addressed. She encouraged the Commission to remain involved by allocating staff resources to the SCORE process going forward.

MOTION: Approve consent calendar item 6b and adopt the LAFCO work plan for 2004 (Arlene Schafer)
SECOND: Peter Herzog
FOR: Bill Campbell, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Charley Wilson
AGAINST: Randal Bressette
ABSTAIN: None
MOTION PASSED

- 6d. Commissioner Herzog** requested that staff develop an investment policy for the Commission's approval and also requested that staff provide quarterly investment reports to Commission. He noted fund deficits for the Newport Coast annexation and the Emerald Bay Service District reorganization, and he asked how staff planned to collect the moneys owed.

Assistant Executive Officer Aldrich stated that the City of Newport Beach was aware of costs related to the Newport Coast annexation and intended to reimburse LAFCO. He added that the Emerald Bay Service District's balance would also be taken care of in the next budget cycle. He said that he would clarify the agencies' commitments to pay their balances and then report back to the Commission.

Commissioner Herzog noted that the LAFCO funds are held in the Orange County investment pool. He said that he would appreciate the Commission's consensus in requesting that staff explore other, possibly more cost effective, options. There were no objections to **Commissioner Herzog's** request.

Commissioner Campbell asked for clarification regarding the \$108K special revenues expenditure designated on page 4 of the staff report.

Executive Officer Smith responded that the special revenues expenditure was likely related to the Islands Program, but she said that she would investigate the line item and respond back to the Commission following the meeting.

MOTION: Approve consent calendar item 6d, with actions as noted during Commission discussion of item 6d (Bill Campbell)
SECOND: Randal Bressette
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Charley Wilson
AGAINST: None
ABSTAIN: None
MOTION PASSED

7. **PUBLIC HEARING**
None

8. **COMMISSION DISCUSSION**
None

9. **COMMISSIONER COMMENTS**

Chair Smith read Executive Officer Dana Smith's resignation letter into the record.

MOTION: Accept Executive Officer Dana Smith's resignation (Randal Bressette)
SECOND: Bill Campbell
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Charley Wilson
AGAINST: None
ABSTAIN: None

MOTION PASSED

Chair Smith summoned Executive Officer Dana Smith to the podium and presented a resolution adopted by the Board of Supervisors commending Ms. Smith for her significant contributions and honoring her decade of distinguished service to the Commission and to the County of Orange.

Commissioner Herzog presented to Ms. Smith a farewell gift from the Commission and staff. He said that Ms. Smith would long be remembered for her visionary leadership, integrity, and professionalism.

Executive Officer Smith thanked the Commission and made a brief farewell statement.

Commissioner Bressette commented that under Ms. Smith's stewardship Orange County LAFCO became not only a leader among LAFCOs but also one of the most successful government agencies in the state. He said that she would be greatly missed.

Chair Smith echoed **Commissioner Bressette's** comments and wished Ms. Smith the best of luck on behalf of the entire Commission. He invited her to return to Orange County for the annual CALAFCO conference in September 2004.

Commissioner Silva expressed his respect and admiration for Ms. Smith. He said that she approached even the most divisive issues with a spirit of fairness.

Commissioner Bouer said that it had been his great honor to work with Ms. Smith during her tenure as Executive Officer. He particularly thanked her for her assistance during the incorporation of the City of Laguna Woods.

10. INFORMATIONAL ITEMS

None

11. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT

(Section 54957)

Title: Executive Officer

Chair Smith adjourned the Commission meeting for closed session at 9:38 a.m.

Chair Smith reconvened the Commission meeting at 9:58 a.m. and reported that the Commission approved a pay differential for Acting Executive Officer Bob Aldrich to remain in effect until such time as the Commission permanently fills the vacancy left by Executive Officer Dana Smith.

12. ADJOURNMENT

Vice Chair S. Wilson adjourned the meeting at 9:59 a.m.

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DANA M. SMITH
Executive Officer
Orange County Local Agency Formation Commission

By: _____
Danielle M. Ball
Commission Clerk